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**Assessing Progress Made toward Shared Agricultural  
Transformation Objectives in Mozambique**

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## ABSTRACT

What has been the recent performance of the agricultural sector in Mozambique and the progress made thus far toward achieving the objectives established under the Comprehensive Africa Agriculture Development Programme (CAADP) initiative for Mozambique that began in late-2011?

CAADP promotes agriculture-driven economic growth to reduce hunger, malnutrition, and poverty across Africa. Central to the design of national-level efforts under CAADP is broad ownership and mutual accountability—ownership across a wide range of stakeholders of the process through which priority investments are identified, programs are designed, and action is taken; and mutual accountability for any successes or failures realized in pursuit of CAADP objectives. *Mutual accountability* here is defined as a process by which the CAADP stakeholders hold one another accountable for the commitments they have voluntarily made to one another for the successful implementation of the CAADP–Mozambique investment plan, the Strategic Plan for the Development of the Agriculture Sector (PNISA). This commitment is institutionalized within the investment plan in an explicit framework of mutual accountability through a regular Joint Sector Review (JSR) process. This document was developed to inform the JSR process for 2014, early in the implementation of the PNISA.

We highlight both effective features as well as some deficiencies in the initial implementation of the PNISA. This is done with the expectation that by highlighting these features early, the quality of implementation of the plan should improve quickly and the Mozambican agricultural sector will transform in ways that lead to economic growth, improved household welfare, and reduction in poverty. The programme of mutual accountability for the successes and shortcomings associated with PNISA implementation is laudable and necessary. Of some concern in the early stages of implementation of the PNISA is that limited effective coordination mechanism has been put in place to address programming gaps or duplications that may retard progress or inefficiently use public resources. Of equal concern is that the mutually agreed-upon milestones and targets have not been sufficiently articulated for PNISA implementation. The quality of the program of mutual accountability will be compromised if choices are not made among program milestones and targets for monitoring, evaluation, and accountability purposes.

**Keywords:** Mozambique, agricultural development, economic transformation, mutual accountability, joint sector review

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## ABBREVIATIONS AND ACRONYMS

CAADP	Comprehensive Africa Agriculture Development Programme
CCSA	Comité de Coordenação do Sector Agrário (Agricultural Sector Coordinating Committee)
CTA	Confederação das Associações Económicas CTA (Confederation of Economic Associations of Mozambique CTA)
EDR	Estratégia de Desenvolvimento Rural (Rural Development Strategy)
ESAN	Estratégia e Plano de Acção de Segurança Alimentar e Nutricional (Food and Nutrition Security Strategy and Action Plan)
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
IFPRI	International Food Policy Research Institute
JSR	Joint Sector Review—here focused on the agricultural sector
MINAG	Ministério da Agricultura (Ministry of Agriculture), Mozambique
NGO	nongovernmental organization
ORAM	Organização Rural de Ajuda Mútua (Rural Organization for Mutual Support)
PAPA	Plano de Acção para a Produção de Alimentos (Action Plan for Food Production)
PARPA	Plano de Acção para Redução da Pobreza Absoluta (Action Plan for the Reduction of Absolute Poverty)
PEDSA	Plano Estratégico de Desenvolvimento do Sector Agrário (Strategic Plan for the Development of the Agriculture Sector)
PNISA	Programa Nacional de Investimento do Sector Agrário (National Agriculture Sector Investment Plan)
PQG	Plano Quinquenal do Governo (Five-Year Program of Government)
PRDC	Plano de Acção Multisectorial para a Redução da Desnutrição Crónica em Moçambique 2011–2014 (Multisectoral Action Plan for the Reduction of Chronic Malnutrition in Mozambique 2011–2014)
PROAGRI	Programa Nacional de Desenvolvimento Agrícola de Moçambique (National Program of Agricultural Development in Mozambique)
PRONEA	Programa Nacional de Extensão Agrária (National Agricultural Extension Program)
ReSAKSS	Regional Strategic Analysis and Knowledge Support System
SADC	Southern African Development Community
SWOT	Strengths, weaknesses, opportunities, and threats—a program analysis and planning method
TIA	Trabalho de Inquérito Agrícola (rural household income surveys)
UNAC	União Nacional dos Camponeses (National Union of Peasants)
USEBA	Unidade de Semente Básica (Basic Seed Unit)



# 1. INTRODUCTION

The main objective of the Comprehensive Africa Agriculture Development Programme (CAADP) is to promote investments in agriculture that will spur broader and pro-poor economic growth. The principal premise underlying the CAADP approach is that such agriculture-driven economic growth will result in a reduction in hunger, malnutrition, and poverty across Africa. In addition to setting goals for national annual budget commitments to agriculture (10 percent of the budget) and for agricultural-sector growth (6 percent per year), the participating countries in the CAADP process also commit to develop national agricultural strategies. Having drafted a strategy, each participating country then develops an investment plan for the strategy to which government, the private sector in agriculture, civil society organizations, donors, and regional organizations commit their support. As such, the CAADP process combines appropriate technical approaches with both financial and broad political commitments to agricultural development from a wide group of participants (Future Agricultures 2012).

Central to the CAADP process at the national level is national ownership, with this concept of ownership by design extending well beyond the agricultural agencies of government alone to include other sectors within government, civil society organizations, and the private sector involved in agriculture. However, commitment to the national CAADP investment plan involves a broader range of participants—both the national CAADP stakeholders and their international partners. This commitment is established within the national CAADP investment plan in an explicit framework of mutual accountability for agricultural performance and necessary agricultural policy change among all those involved. *Mutual accountability* here is defined as a process by which two or more parties hold one another accountable for the commitments they have voluntarily made to one another for the successful implementation of their mutual endeavor (ReSAKSS 2013a). This definition is appropriate in the context of commitments made for country-level CAADP processes.

Although CAADP as a continent-wide initiative was launched in 2003 with the signing of the Maputo Declaration on Agriculture and Food Security by African heads of state, in nearly all African countries the CAADP country process did not begin until 2010. This is then also the case with regard to Mozambique. After undertaking a range of background studies and holding regional consultations, the CAADP compact document for Mozambique was signed in December 2011 by representatives of the government of Mozambique, the private sector, civil society organizations, development partners, and regional organizations. The compact explicitly states that CAADP will be implemented in Mozambique via the national agricultural policy in place, the Strategic Plan for the Development of the Agriculture Sector (PEDSA, the Plano Estratégico de Desenvolvimento do Sector Agrário). The PEDSA is to guide agricultural development in the country over the period 2011 to 2020.

Following the signing of the compact, work then began on developing the National Agriculture Sector Investment Plan (PNISA, the Programa Nacional de Investimento do Sector Agrário), the investment plan for agricultural development that is stipulated as a key element in all CAADP country processes. The PNISA was officially launched in April 2013 and specifies 21 programs grouped under five components—agricultural production and productivity, access to markets, food and nutritional security, natural resources, and institutional reform and strengthening—and the investments that are needed over the period 2013 to 2017 to successfully complete them. The financial requirements for this investment plan total 112 billion Mozambican meticals (Mt), or about US\$4 billion.<sup>1</sup>

## **Mutual Accountability**

Both the CAADP compact document for Mozambique (Republic of Mozambique 2011, paragraph 30) and, in more detail, the PNISA (Republic of Mozambique 2013, chapter 5) specify that the activities being carried out within the context of CAADP in Mozambique will be closely coordinated and monitored. The PNISA provides for the establishment of the Agricultural Sector Coordinating Committee

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<sup>1</sup> Dollar amounts throughout this paper are given in U.S. dollars.

(CCSA, the Comité de Coordenação do Sector Agrário), which will be responsible for monitoring the implementation of the PNISA and regularly assessing progress made. This monitoring and evaluation effort will include the generation of joint reviews of the PNISA by the government and its partners and annual reports on the performance of the agricultural sector. The implementation of the PNISA will also be subject to two evaluations—one in the second year and the other in the last year of the program.

In the generic design of CAADP country processes, the Joint Sector Review (JSR) is the instrument to be used on a routine, scheduled basis to implement the mutual accountability principle of CAADP at the country level. Functionally, the JSR is

a platform to assess the performance and results of the agriculture sector and, in turn, assist governments in setting sector policy and priorities. Specifically, they aim to assess how well state and non-state stakeholders implemented pledges and commitments stipulated in the CAADP compacts, National Agricultural Investment Plans [such as PNISA], and related cooperation agreements in the sector. (ReSAKSS 2013a, 1)

Within the inclusive consultations and discussions that make up a JSR exercise, the stakeholders objectively consider what actions have been taken, resources have been committed, and progress has been made toward the CAADP objectives within a country. In doing so, all stakeholders in the national CAADP process are made accountable to each other as they pursue their common goal of transforming agriculture in the country.

For Mozambique, specific monitoring activities were included within the design of PNISA to provide for mutual accountability in its implementation. Although at the time of drafting of this paper the PNISA had been in place for just over a year, the agricultural JSR process that is to monitor the execution of the PNISA and to guide any course corrections was already under way. This paper was written to inform those involved in the 2013/2014 agricultural JSR process for Mozambique on both the recent performance of the agricultural sector in the country and on progress made toward achieving PEDSA objectives through the implementation of PNISA.

## **Analytical Report for Agricultural Joint Sector Review**

National agricultural JSR exercises under CAADP are to follow an impartial, evidence-based approach—indeed, such an approach is essential if the JSR is to be considered a credible national exercise. The presentation of evidence-based objective analyses undertaken by independent experts can guide debate and help policymakers and all other stakeholders to reach well-informed decisions related to implementation of the national agricultural investment plan. Although the agricultural JSR process is more than simply the production of an analytical report that is then closely critiqued and debated, expectations for the JSR report are that it will allow the diverse stakeholders to gain insight into the overall policies and priorities for development in the agricultural sector, and that it will allow them to come to a better-informed consensus on where reprioritization or other changes in strategy and action are required. The Mozambique JSR report is intended as a support to the country's JSR process and to serve as a management and policy support tool for inclusive stakeholder planning, programming, budget preparation and execution, monitoring and evaluation, and overall development of Mozambique's agriculture sector (ReSAKSS 2013b).

Three main components are recommended to include in the analytical report for the agricultural JSR exercise in any country:

1. A description and analysis of the structure, conduct, and performance of the agriculture sector against mutually agreed milestones and targets
2. Identification of the strengths, weaknesses, opportunities, and threats (SWOT) in the agriculture sector
3. The provision of recommendations for improving performance in the agriculture sector (ReSAKSS 2013a)

The structure, conduct, and performance framework is borrowed from methods for industrial economics and market analysis. In the context of a national agricultural JSR—

- *Structure* refers to factors such as resource endowments, actors, and other elements that are relatively stable features in the national agricultural sector.
- *Conduct* refers to how different stakeholders within or influencing the agricultural sector function and interact with each other to achieve shared or individual goals and objectives. Within this category, we include the policies through which the agricultural and broader development objectives defined for the country are to be achieved and the institutions that are established to take responsibility for doing so.
- *Performance* is an aggregate of the measures of success in achieving these objectives and goals.

A central element in making use of the structure, conduct, and performance framework is that milestones and targets that have been mutually agreed upon are in place as part of the planning for the specific agricultural development and transformation effort. In the context of PEDSA and CAADP–Mozambique, these milestones and targets would be measures established to assess the degree to which the desired outcomes and other targets stated in the Mozambique CAADP compact, PEDSA, or PNISA are achieved. Other desired outcomes or targets to assess performance could be drawn from related agricultural development frameworks, such as the Cooperation Framework to support the New Alliance for Food Security and Nutrition in Mozambique.

The contents of these mutually agreed-upon milestones and targets are usually organized around five performance areas:

1. Broad development objectives such as income growth, poverty and hunger reduction, and food and nutrition security
2. Overall agricultural sector growth targets, with specific subsector and commodity-specific targets
3. Financial and nonfinancial resources required for implementation as specified in the agricultural sector investment plan
4. The policies, programs, institutions, and implementation processes that are conducive to increased investment in agriculture by farmers and the broader private sector
5. The strength of the linkages in the agricultural sector that connect investments to sector performance and the degree to which the broader policy and institutional environment is conducive to fostering investment in the sector (ReSAKSS 2013b)

Insights are gained by looking at key questions associated with each performance area. Relevant data and information is used to assess the impact of the actions that have been taken to promote agricultural development.

To guide that discussion, the analysts are expected to use these results at a strategic level to identify the strengths, weaknesses, opportunities, and threats to the shared vision of national agricultural development. This SWOT analysis is the second main component of the analysis for the agricultural JSR. In this context, *strengths* refers to those characteristics of a specific intervention that make it better suited to achieve the desired development objectives than would alternative approaches or interventions. Here, this is the objectives and goals of PEDSA through the implementation of the PNISA. Similarly, *weaknesses* are features of interventions that put them at a disadvantage relative to others interventions. *Opportunities* are contextual elements that could be used to the advantage of the intervention, and *threats* are elements that have a potential to impede the intervention in accomplishing its objectives and goals (ReSAKSS 2013a).

The last component of an analytical report for a national agricultural JSR exercise is to give recommendations for improving performance. These must be implementable actions justified from the analysis and findings of the review—that is to say, they should be derived from the objective assessment

presented earlier in the document on the structure, conduct, and performance of the agriculture sector concerning the mutually agreed objectives and goals for national agricultural development. Moreover, the recommendations should be prioritized within a time frame and placed into a sequence of actions (ReSAKSS 2013a).

## **Mozambique Agricultural JSR Analytical Report**

In drafting the PNISA investment plan and guiding the launch of its implementation, the government of Mozambique demonstrated strong commitment to achieving the objectives of the PEDSA. The PNISA specifies that the Council of Ministers is responsible for providing strategic direction and sufficient resources to its implementation. In addition, the CCSA is being established to ensure regular and effective dialogue between public institutions, donors, the private sector, and civil society organizations involved in implementing or providing financial support to PNISA activities. In this regard, the CCSA has the role of ensuring mutual accountability among all of these stakeholders for effective action and fulfilled commitments from each in working to achieve the objectives of PEDSA under the CAADP Mozambique framework.

In consequence, this paper was written as an analytical report to inform the participants in the initial JSR for the CAADP–Mozambique process, that of 2013/2014, on progress that has been made and on gaps in implementation. This paper highlights both well-functioning features as well as challenges in the early implementation of the PNISA. The latter is done with the expectation that by highlighting problems early, the quality of implementation of the plan should improve quickly and the Mozambican agricultural sector will transform in ways that lead to the economic growth, improved household welfare, and reduction in poverty in Mozambique that the CAADP process seeks to foster.

An important limitation on the scope of this paper for the Mozambique JSR is that there is inadequate clarity about a set of “mutually agreed milestones and targets” against which progress can be assessed. Such indicators are a foundational component of any JSR. While the PNISA establishes a set of priorities for development in the agricultural sector, measurable targets related to the achievement of those objectives have as yet not been mutually agreed upon. A draft list of indicators for monitoring progress under the PNISA has been drawn up (Uaiene 2013). This consists of agricultural sector growth targets with specific subsector and commodity-specific targets that correspond to the second of the five performance areas noted earlier for which milestones and targets should be established. Indicators on resource allocation, policy change, implementation processes, and the enabling environment for increased investments in agriculture, for example, have however not yet been developed. In strengthening the agricultural JSR process for future reviews, a broader set of milestones and targets against which to assess progress would be appropriate to have in place.

This paper primarily discusses the baseline conditions for likely agreed-upon indicators for tracing the progress and achievements of the implementation of the PNISA. This narrower focus is both because the set of targets and indicators for mutual accountability on PNISA implementation have not been established and because the PNISA implementation is only now starting. Nonetheless, doing so has value in the future, as the baseline indicators reported here can serve future agricultural JSRs as comparators for updated statistics to assess progress under the PNISA.

As was described earlier, the three principal elements to an analytical report for an agricultural JSR are examining the structure, conduct, and performance of the sector; identifying the strengths, weaknesses, opportunities, and threats of the sector; and providing recommendations for improving performance. Using these elements, this paper is organized as follows: Sections 2, 3, and 4 discuss the structure, conduct, and performance of Mozambique’s agricultural sector, respectively. In Section 5, insofar as possible, the discussion turns to the observed SWOT analysis associated with the efforts being made to achieve the objectives of the PEDSA in implementing the PNISA. Finally, Section 6 concludes and gives recommendations for improving performance.

It should be noted that in this report, Section 4 on performance, Section 5 on the SWOT analysis, and Section 6 on recommendations for improving performance are quite brief because the PNISA has been in its implementation phase for less than one year. Some substantive content is provided in these sections nonetheless.

## 2. STRUCTURE OF MOZAMBIQUE'S AGRICULTURAL SECTOR

This section focuses on the structure of the agricultural sector in Mozambique, including the main features of the sector and the role it plays in Mozambique's economy. The two major agricultural subsectors—the smallholder and the large-scale farming subsectors—are discussed separately, as each has unique features. Trends in agricultural production, agricultural value added to the economy, and trade in the agricultural commodities, among other elements, are presented.

### Agriculture in Mozambique

About 70 percent of Mozambique's population lives in rural areas and obtains its livelihood from agriculture (Chilonda et al. 2011). The contribution of agriculture to Mozambique's gross domestic product (GDP) was relatively stable between 2001 and 2010, ranging between 24.2 and 25.6 percent annually (Chilonda et al. 2012). Important investments have been made in mining and natural gas extraction in Mozambique over the past five years; and therefore future data that reflect these investments will likely show a reduction in the share of agriculture in Mozambique's economic output, even though the value of the agricultural contribution likely will not have declined and possibly even increased. This is because the increased mining-related output in recent years has increased Mozambique's economy as a whole—the economy grew by more than 7 percent in both 2011 and 2012.

Crop production makes up 78 percent of the total agricultural GDP, and the livestock subsector contributed 6 percent. The fisheries and forestry subsectors are considered part of the agricultural sector and contributed 7 percent and 9 percent, respectively.<sup>2</sup> The main food crops grown are cassava, sweet potato, maize, rice, sorghum, millet, and pulses. Food crops account for 90 percent of total crop production. Cash crops include cotton, tobacco, cashew, coconut, and fruit. The principal livestock produced are cattle, goats, and poultry. Most animals are raised under extensive systems, making use of local pasture and other feed resources (Rosário 2012). Cotton, tobacco, cashew, and more recently, sesame are major export crops for Mozambique. Sugar and, to a lesser extent, tea are other industrial agricultural products of significance (Chilonda et al. 2012).

However, across the country is considerable agroecological variation that results in notable regional heterogeneity in agricultural production. Northern Mozambique agriculturally is more productive than the southern half of the country. Nampula, Zambezia, Manica, northeastern Tete, and parts of Niassa Provinces are generally considered to be the highest potential agricultural areas of Mozambique. However, subsistence production is common throughout the country, with farming systems adapted to local ecologies and food consumption patterns reflecting this heterogeneity.

Mozambique's agriculture can be disaggregated into a smallholder farmer sector dominated by farm households cultivating relatively small plots of land, principally for own consumption, and a large-scale commercial farming subsector. The large-scale agriculture subsector is made up of commercial farm enterprises that cover relatively large tracts of land. This subsector produces sugar, cotton, tea, and export-standard tropical fruits. For some crops, these two subsectors overlap to some degree. A significant proportion of the production of cotton and tobacco is achieved through outgrower schemes in which smallholder farmers are contracted to produce the crops for large-scale commercial farms in the area.

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<sup>2</sup> In this paper, the agricultural production activities of interest are those related to crops and livestock. Fisheries and forestry are considered only when they are part of the aggregate agricultural sector of Mozambique's economy for statistical or other purposes.

## ***Smallholder Farming Sector***

Most agricultural activity in Mozambique is smallholder or family farming. Approximately 3.6 million Mozambican households are engaged as smallholders farming annual crops (Rosário 2012; Chilonda et al. 2011). The peasant family farming subsector occupies about 3.2 million hectares across Mozambique, with an average landholding size of 1.1 hectares. The farming household is the principal source of labor on these farms. The use of labor from outside the household is rare.

Smallholder farmers are heterogeneous culturally, technically, and economically. The uptake of modern technologies in the subsector is low. Only between 5 and 10 percent of small farmers use improved seeds and 10 percent use animal traction. As only 5 percent use inorganic fertilizer, the average application rate on arable land in 2008 was only 5.3 kilograms per hectare (kg/ha). Use of irrigation in Mozambique is limited. Rough estimates suggest that Mozambique has used only 2 percent of its irrigation potential (Chilonda et al. 2011).

Data from the 2007/2008 Trabalho de Inquérito Agrícola (TIA) rural household survey, shows that most farmers produce maize (78 percent) and cassava (61 percent), and some produced cowpea (45 percent), groundnut (31 percent), and sorghum (27 percent). However, the proportion of farmers producing rice (19 percent) and various types of bean (10–13 percent) is lower. Own consumption dominates the use of these crops—only some smallholder farmers in Mozambique produce for market. For example, the 2007/2008 TIA shows that only 21 percent of smallholders that produce maize were involved in the maize market. Similarly, only 16 percent of rice, 29 percent of groundnut, and less than 5 percent of sorghum and millet producers marketed any of their harvest. For smallholders, Irish potato is the most commercialized food crop, with 49 percent of producers marketing some of their production. However, only 2 percent of smallholders produce Irish potato (Chilonda et al. 2012).

The welfare status of the smallholder farming households is poor. The most recent national poverty assessment indicates that in rural areas, where almost all smallholder farm households live, 56.9 percent of the population lived below the poverty line in 2008/2009.<sup>3</sup> Similarly, 49.9 percent of rural children less than 60 months old are stunted (chronically malnourished), 20.7 percent are underweight, and 6.6 percent are wasted (acute malnutrition). Though improvements have been made, access to education (especially secondary) and health services is limited. The asset ownership levels of rural households and the quality of their housing also is low.

## ***Large-Scale Commercial Farming***

In the colonial period, cotton, cashews, and other export crops were produced, primarily for Portugal but also for the global market, under various production systems, including forced labor. Commercial agriculture has a long history in Mozambique; however, it generally was not very well organized or competitive in serving international markets. Until quite recently, large-scale agricultural production was not very common outside of several sugar plantations, tea plantations in Zambezia, and irrigated horticulture in the Chokwé irrigation scheme, leading Arlindo and Keyser (2007) to argue that large-scale commercial farms in Mozambique are a very recent phenomenon. Compounding the lack of information on this sub-subsector is that data on the operations of those large-scale farms are not available. Although the Ministério da Agricultura (MINAG, Ministry of Agriculture) through its TIA surveys has been collecting data on larger commercial farms to complement data collected on smallholders, the data collected from these large-scale farms have not been released. Thus, except to mention long-standing and easily observable large-scale agricultural activities, it is difficult to know the exact amount of commercial farming investment in the country, the crops to which that investment is directed, and the employment that results.

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<sup>3</sup> The methodology employed to measure monetary (consumption) poverty in Mozambique broadly follows the Cost of Basic Needs (CBN) approach. In the CBN approach, the aggregate poverty line is constructed as the sum of a food and a nonfood poverty line.

Larger-scale farming on particular crops is observed in different parts of Mozambique. In the irrigated Chokwé area in Gaza province in southern Mozambique, horticulture and rice production are done on a commercial basis. Similarly, there is a long-standing large-scale tea subsector in northwestern Zambezia Province that adjoins a similar tea production zone in Malawi. The sugar subsector has attracted several international companies that undertake production under vertical integrated production schemes that involve large areas under irrigated production. In 2013, it was estimated that 48,000 hectares were under commercial sugar production nationally, with more than half of the production being exported (Zacarias and Esterhuizen 2013).

There are also some large-scale commercial farming area in which cotton and tobacco are produced. In 2007, 66 autonomous cotton producers in Nampula Province were cultivating 1,750 hectares. However, most of these producers manage contract-farming systems in which they contract smallholder farmers in the area to produce the crop (Benfica et al. 2005). The contract system ensures that the contracted small producers have access to needed inputs, with the local large-scale producer who has contracted them providing the market for their output (Arlindo and Keyser 2007).

The World Bank (2011) indicated that foreign-owned-and-managed large-scale plantations, partly organized with outgrower schemes, expanded in the later years of the first decade of the 21st century. In particular, bioethanol- and biodiesel-producing companies, both international and local, with millions of dollars in investment, were acquiring tens of thousands of hectares of land for the production of biofuels from sugarcane, jatropha, palm, sweet sorghum, coconut, and soya. The estimated land that was acquired or requested by the biofuel companies ranged from 2.3 to 2.7 million hectares, while their total proposed investment including for the plantations and the processing facilities was estimated at nearly \$3 billion (Nhantumbo and Salomão 2010). However, the profile of these large-scale investments in agriculture in Mozambique has diminished more recently, to a large degree because of lower global energy prices, rendering the likely profitability of these bioenergy investments more problematic. Consequently, most of these investments have not advanced to economic production.

## Performance of the Agriculture Sector

In 2012, the agriculture (including forestry and fisheries) sector contributed 24.8 percent of the country's total economic output (MPD and MF 2013). When we look at trends in the performance of Mozambique's agriculture sector over the last two decades, as measured by total value added, value added per worker, total cereal production, and cereal yield, the dominant trend is one of growth (Table 2.1).

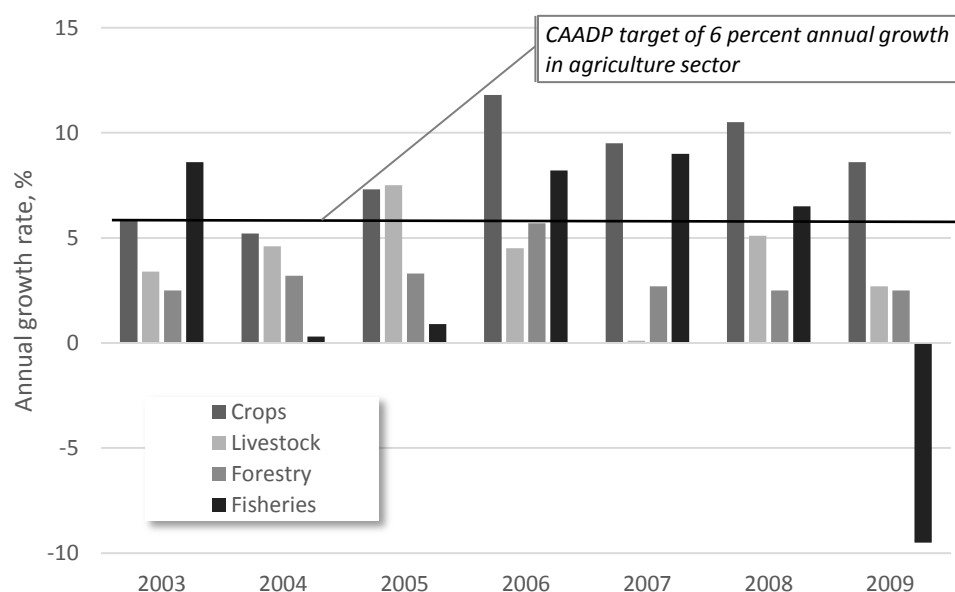
**Table 2.1 Past performance of the agriculture sector in Mozambique's economy**

Indicator name	1990	1995	2000	2005	2010	2012
Agriculture, value added (constant 2005 US\$, in millions)	868	944	1,122	1,610	2,350	2,780
Agriculture value added per worker (constant 2005 US\$)	167	150	158	205	271	307
Cereal production (1,000s of metric tons)	738	1,128	1,587	1,139	2,506	NA
Cereal yield (kilograms per hectare)	477	653	868	741	1,006	NA
Agriculture, value added (annual % growth)	1.1	15.3	-11.8	6.5	5.9	8.8

Source: World Bank (2013).

All of the agriculture subsectors—crops, livestock, fisheries, and forestry—have shown positive growth in recent years, except for a sharp decline observed in the fisheries subsector in 2009 (Figure 2.1). The crop subsector has shown annual growth rates that range roughly from 6 to 12 percent, while the livestock sector registered between 3 and 7.5 percent annual growth (Chilonda et al. 2011).

**Figure 2.1 Annual growth of the subsectors in Mozambique’s agriculture sector, 2003–2009**



Source: Chilonda et al. (2011).

### **Crop Production**

The most recent data on crop production in Mozambique from the Food and Agriculture Organization of the United Nations (FAO) shows that cassava is the most important staple food crop produced, followed by maize (Table 2.2). Dry beans, rice, and sorghum are also commonly produced food crops. Among commercial crops, cashew, sugarcane, tobacco, sesame, and cotton are important (FAO 2013). When the trends in the contribution of various crops to total crop value are examined for the period 2002 to 2009, the contribution of legume crops remained constant at around 10 percent, while the contributions of cereal crops and cassava declined from 27 to 22 percent and from 48 to 32 percent, respectively. In the same period, the contribution of export crops (mainly sugar and tobacco) surged from 14 to 32 percent (Chilonda et al. 2011).

In considering trends in the production of food crops, the total production of cassava in 2012 was 10.1 million metric tons (mt), which is about a twofold increase in the production level of 2000. Similarly, the total production of sweet potato in 2012 was 900,000 mt, which also is double the production level of 2000. However, national production levels for both of these crops over the period 2000–2012 were quite erratic, and much of the increase was due to growth since 2005. The other important staple crop, maize, showed declining production nationally between 2000 and 2005, with growth thereafter. However, this growth has not been consistent, as a sharp decline in maize production was seen in 2012 relative to 2011. Trends in the production of the other major food crops have generally shown an increase in the level of production, but the path has been somewhat erratic from year to year for many of them.

**Table 2.2 Production and value of major crops in Mozambique, 2012**

<b>Commodity</b>	<b>Production (mt thousands)</b>	<b>Value (US\$ millions)</b>
Cassava	10,094	1,054
Sugarcane	3,396	112
Maize	2,179	262
Sweet potato	860	65
Sorghum	410	60
Banana	341	96
Rice	271	70
Pulses	229	120
Beans, dry	200	88
Vegetables, other	200	38
Tomato	195	72
Fruit, other	133	46
Cashew	113	99
Sesame	105	69
Tobacco	70	111
Cotton lint	36	51

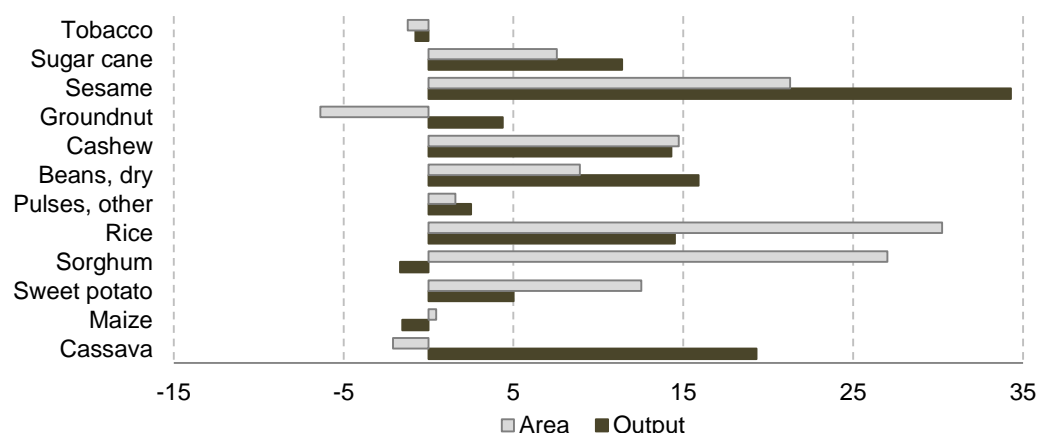
Source: FAO (2013).

Unlike the major food crops, the production trend for several of the major commercial crops has been steady growth over the past 20 years. Production of sugarcane has increased more than tenfold, with the major period of expansion being in the last decade. Similarly, the national annual production of tobacco increased from about 3,000 mt in 1990 to 70,000 mt in 2011. Although not as dramatic, the increase in cotton production has also been significant, particularly since 2000.

To determine the source of production growth by crop—whether from increases in yields on existing cropland or from simply expanding the area planted to a crop—Chilonda et al. (2011) computed the annual growth in area planted and in total production for the major staple crops for the years 2002 to 2008. Among the major crops, the planted area of maize, which covered 38 percent of the actual area planted in 2008, increased from 1.17 million to 1.96 million hectares between 2002 and 2008, for an average growth rate of 2.3 percent per year. However, maize production increased by only 0.6 percent per year, indicating a slight decline in overall yields. Cassava, which constituted 24 percent of area planted, showed a 0.8 percent annual decline in national production, with almost no increase in the area planted. Beans, which accounted for 13 percent of the actual area planted in 2008, showed a 4.1 percent per year increase in planted area, while production increased at a slower rate of 1.8 percent per year. This analysis indicates that land productivity declined from 2002 to 2008, at least for the major smallholder crops. The growth in crop production in Mozambique has been driven mainly by the expansion of land, with very little or no change in output per unit area of land.

In Figure 2.2, an updated comparison between the growth in production and the expansion of cultivated land for important crops in Mozambique between 2008 and 2012 is made using more recent data from FAOSTAT. Relative to the 2000–2008, production has not changed much. The situation with maize is more or less the same as that of the period between 2002 and 2008. Land area cultivated to sorghum has expanded at a significant rate, while declining in overall output. Similarly, for sweet potato, rice, and cashew, average growth in production is less than the growth in land area planted to those crops. On the other hand, land productivity seems to be improving for some of the other major crops. For cassava, groundnuts, dry beans, pulses, sesame, and sugarcane, the growth in total production was accompanied with either a reduction of cultivated land or smaller growth in the expansion of land planted to these crops.

**Figure 2.2 Percentage change in national production and planted area, by selected crop, 2008–2012**



Source: Author's computation using FAO (2013).

Such stagnation in land productivity is primarily a result of low rates of use of modern agricultural technologies by smallholder farmers. Similarly, labor productivity increases in Mozambique are associated with use of modern technologies. Based on findings of Cunguara and Kelly (2009) and their own computation from a household-level dataset, Mogues and Benin (2012) show that the use of chemical fertilizer, animal traction, and extension services is associated with higher output per capita and surplus production in Mozambique. However, the use of various types of modern agricultural technologies, including animal traction, fertilizer, pesticides, and irrigation, for the period 2000 to 2008 is very low and follows an erratic trend (Chilonda et al. 2011). The low rates of use of these technologies is due to several factors including market distortion, poor infrastructure, lack of access to agricultural services, financial constraints, and lack of information.

Benson, Cunguara, and Mogues (2013) identified the lack of crucial public goods and services as major constraints in using inorganic fertilizer in Mozambique, in particular, farmers' limited scientific knowledge and information on the proper agronomic and economics of fertilizer use. Related, access to agricultural extension is very low in Mozambique. In their study on Mozambique's National Agricultural Extension Program (PRONEA), Gêmo and Chilonda (2013) identified a range of factors that pertain to conceptualization, implementation, and monitoring and evaluation of PRONEA as causes of its failure. Kondylis and Mueller (2012) also pointed out that several major inefficiencies common in extension networks of developing countries are also seen in Mozambique. Similarly, access to credit services is very low among smallholder farmers (Chilonda et al. 2011). Finance is a multifaceted constraint for Mozambique's agricultural sector. Even when funds are available to provide to farmers, the effective disbursement of loans to farmers and their subsequent repayment has proved to be problematic (IFAD 2012a).

Conceptually, agricultural transformation is generally considered to involve more intensive production per unit of cropped area—that is, higher yields per unit area. However, in Mozambique such an objective is not as pressing as in many other developing countries. Although some rural areas of Mozambique are densely populated, the country as a whole still has a considerable amount of uncultivated arable land, even if it may not be of the highest production potential. About 60 percent of the total land area is considered agricultural, that is, under seasonal or permanent crops or under permanent pasture. However, of this agricultural land, less than 10 percent is under seasonal crops (World Bank 2013). It generally will be less costly for farmers in Mozambique to open new land to cultivation to produce more crops than to invest in yield-enhancing technologies, like fertilizer, on existing land. In 2002, 85 percent of heads of farming households reported that they could obtain more agricultural land in their communities if needed (Walker et al. 2004).

## ***Domestic Agricultural Markets and Postharvest Value Addition***

Most crops produced by smallholder farmers in Mozambique are used by the producing household itself. Drawing on household survey data collected in 2005, Mather, Cunguara, and Boughton (2008) report that only 12.5 percent of the income (both cash and in-kind, including use of own production) of farming households came from the sale of crops or livestock. Moreover, they provide evidence that the bulk of crop sales comes from a minority of farmers, with 48.7 percent of farmers reporting having sold food crops in 2005, 31.7 percent having sold cash crops, and 26.0 having sold livestock, with most of these farming households selling quite small quantities. The authors conclude that there is little indication that smallholder farmers in Mozambique are transforming their patterns of production to greater specialization and increased reliance on the market.

The agricultural output trade that does take place occurs at the local and district levels. Smallholder farmers who produce a surplus or are in need of cash will sell to other households either in the local community or in markets serving the local area (Mazvimavi et al. 2011). Moreover, informal cross-border trade is an important feature of farming communities in the border areas of the country—in 2007, informal trade in maize from Mozambique to Swaziland, Malawi, Zambia, and Zimbabwe was estimated at 200,000 tons, with most of this going to Malawi (Mucavele 2009). However, the amount of maize traded in this way can be expected to vary considerably from year to year depending on production and market conditions in neighboring countries.

Historically, interregional trade in agricultural produce in Mozambique has been hampered by poor transport infrastructure, making it difficult to profitably move goods from, for example, the agriculturally endowed provinces of central Mozambique to Maputo in the far south. Most trade historically has moved from east to west with neighboring countries, rather than from north to south. Therefore, historically, Maputo has been provisioned more by South Africa than by farmers in central and northern Mozambique.

Mozambique has invested considerably in transportation over the past 15–20 years; however, this has principally been on the major interprovincial roads, to the neglect of rural feed roads (World Bank 2012). Transaction costs related to moving produce from areas of production to areas of consumption remain important. For example, in late 2013 the average maize prices in 21 consumer markets were 25 percent higher than the average prices at which farmers sold their maize in seven producer markets surveyed by the Sistema de Informação de Mercados Agrícolas (SIMA, Agricultural Markets Information System). Average maize prices were 39 percent higher in Maputo.

With regard to the supply of inputs, Mozambique does not have well-functioning agricultural input markets. Although the Mozambican ports of Nacala and Beira are the principal ports for the supply from the international market of relatively large quantities of inorganic fertilizer to Zimbabwe, Zambia, and Malawi, the few Mozambican farmers using the input are not supplied from this important traffic in fertilizer but depend on imports primarily from South Africa. The public sector is not involved in fertilizer procurement and distribution but leaves this to the private sector. Agrifocus is the principal commercial firm engaged in the importation of fertilizer into Mozambique. There are also a few other fertilizer wholesale dealers, most of which are supplied by Agrifocus, and around 800 fertilizer retailers in Mozambique. However, fertilizer retail trade at the district level is very thin and patchy (Benson, Cunguara, and Moguees 2013).

About 10,200 mt of improved seed were estimated to have been used in Mozambique in 2011. Most of this is improved seed of open-pollinated varieties rather than hybrid seed. Basic seed production is centralized at the Basic Seed Unit (USEBA) of the Institute of Agricultural Research of Mozambique. USEBA contracts private commercial farms to multiply this basic seed. USEBA varieties include open-pollinated maize, rice, sorghum, cowpea, common bean, groundnut, sesame, and soybean. Eight seed processors and 35 certified seed-producing companies are registered in Mozambique. However, as of 2010, only 18 producers were engaged in production (World Bank 2012). Two companies—SEMOC and PANNAR—produced more than 90 percent of the open-pollinated maize seed. PANNAR was the only company producing hybrid maize seed in 2010. It reported to have made available to Mozambican

farmers 330 mt of hybrid maize seed in 2010. The only registered rice seed producer in 2010 was MozFoods/MIA, which grew 70 percent of its certified seed on its own farm and contracted the rest with outgrowers. In addition, the government has been promoting local production of open-pollinated varieties of improved seed of maize, rice, groundnut, sesame, bean, and cowpea by individual farmers, farmer groups, and associations in cooperation with certain nongovernmental organizations (NGOs). In the past, government was the main supplier of improved seed to farmers through the Plano de Acção para a Produção de Alimentos (PAPA, Action Plan for Food Production) and the EU voucher program implemented by the International Fertilizer Development Center (World Bank 2012).

With regard to postharvest processing and value addition in agriculture in Mozambique, investments are weak. As is common with many developing countries of the world, most of the processing of agricultural products is done within the household, processing grain and other raw produce into food. Export crops are usually shipped out of the country with only the minimal processing required to allow them to be shipped to their destination, where further value-addition processing will take place. For example, sugar, although produced in a vertically integrated manner within Mozambique, is not sold locally or exported in a final, refined form. Instead, it is sold as brown, unrefined sugar. Refined, white sugar for elite consumers in Mozambique is imported (Zacarias and Esterhuizen 2013). Virtually no consumer-ready processing of the crops Mozambican farmers produce for export takes place.

However, investment in food processing industries is being made to serve the growing urban population of the country, particularly in the industrial milling of maize. Intensive poultry producers also constitute a growing source of demand for processed maize. A 2012 report estimated that industrial maize processing for both human consumption and intensive poultry production accounts for 13.2 percent of total domestic maize production. The authors of the report enumerated 13 industrial maize millers operating mills in Mozambique (World Bank 2012). Yet, here there is still scope for improvement, as quality problems with domestically procured maize have resulted in a sizable portion of the maize milled by these industrial millers being higher quality maize imported from South Africa – the second largest industrial miller reported obtaining from domestic sources only 12 percent of the maize the firm milled.

Mozambique is a large cassava-producing country, albeit primarily for home consumption, and therefore cassava processing is a potential area of increased investment in the agriculture sector. Pilot industrial efforts using cassava for bioethanol production and beer brewing are now operating (Donovan et al. 2011). In sum, industrial processing of agricultural produce can be expected to grow in the coming years.

### ***International and Regional Trade in Agricultural Commodities***

Chilonda et al. (2012) indicate that between 2000 and 2010 the value of traditional agricultural exports averaged \$280 million per year, while imports averaged \$212 million. Average annual growth in agricultural exports and imports were 5 percent and 6 percent per year, respectively, for the same period.

The 10 most important agricultural commodity exports and imports for Mozambique in 2011 are summarized in Table 2.3. The three major exports of Mozambique are tobacco, sugar, and cashew. Cotton products and sesame make moderate contributions to Mozambique's export sector.

**Table 2.3 Mozambique’s major agricultural commodity exports and imports, by value, 2011**

Exports		Imports	
Commodity	Value (\$ millions)	Commodity	Value (\$ millions)
Tobacco	220.3	Soybean	117.1
Sugar	120.2	Wheat	92.0
Cashew	67.4	Maize	52.2
Cotton	42.2	Palm oil	50.0
Sesame	30.8	Sugar	38.0
Wheat products	19.7	Tobacco	25.8
Banana	10.6	Chicken meat	22.9
Coconut (copra) oil	6.7	Sunflower oil	17.9
Groundnut	5.6	Cotton	17.0
Tea	1.9	Potato	10.3

Source: Author’s compilation using FAO (2013).

The major international destinations outside the Southern African Development Community (SADC) region for Mozambique’s agricultural exports are in Europe and Asia. In the first decade of the new millennium, 65 percent of tobacco, 46 percent of sugar, 18 percent of cotton, and 17 percent of cashew exports were destined for European markets. Similarly, Asian countries, principally India, received 51 percent of cashew and 40 percent of cotton exports during the same period (Chilonda et al. 2012).

The three major imports of Mozambique are soybean products, wheat, and maize. Given that maize is among the major staple foods in Mozambique, its importance as an agricultural import is an indication of the country’s need to produce more, higher quality maize. The sources outside of the southern African region for Mozambique’s agricultural imports are widely distributed across North America, Europe, and Asia, with some wheat coming from South America (Chilonda et al. 2012).

Regional trade in agricultural commodities is significant for Mozambique. Its SADC partner countries are major destinations for exports and major sources of imports. South Africa is the major single trading partner of Mozambique. For the period 2000–2010, 24 percent of Mozambique’s total tobacco exports were traded to SADC countries. Similarly, 14 percent of cashew and 10 percent of cotton and forestry products exports were destined for SADC countries. However, in Mozambique’s imports is where SADC countries play the major role. Between 2000 and 2010, SADC countries were the major sources of maize (83 percent) and wheat (45 percent) imports. In addition, almost all (94 percent) of Mozambique’s live animal imports and 37 percent of carcass imports came from SADC countries (Chilonda et al. 2012).

In addition to the formal trade registered by customs authorities, as noted earlier, Mozambique also has a substantial amount of an informal cross-border trade of maize, rice, and beans with Zimbabwe, Malawi, and Zambia. For example, between April and July 2012, Mozambique informally exported more than 13,000 mt of maize, of which 11,600 mt went to Malawi (FEWSNet 2012).

This ends this brief review of the recent performance of the agriculture sector in Mozambique. We turn next to the policy and institutional context within which agricultural development initiatives under the PNISA are being conducted to attain the objectives of the PEDSA.

### 3. CONDUCT: PUBLIC POLICIES IN AGRICULTURE AND THE ACTORS INVOLVED IN THEIR IMPLEMENTATION

This section focuses on Mozambique's agricultural policies and national agricultural development agenda by considering the current agricultural policy framework, the major actors in Mozambique's agricultural policymaking processes, and the patterns of public finance for agriculture.

#### **Linking Agricultural Policies with the National Master Development Framework**

The designing of national policies and strategies in Mozambique is principally the work of the national government, with the provincial and district-level governments and their agencies being responsible for the implementation of the national policies and strategies in their areas of jurisdiction. Generally, the policymaking process in Mozambique is very centralized, with reforms driven principally by the president or prime minister's office and followed up by the Council of Ministers (Africa Lead and EAT 2013).

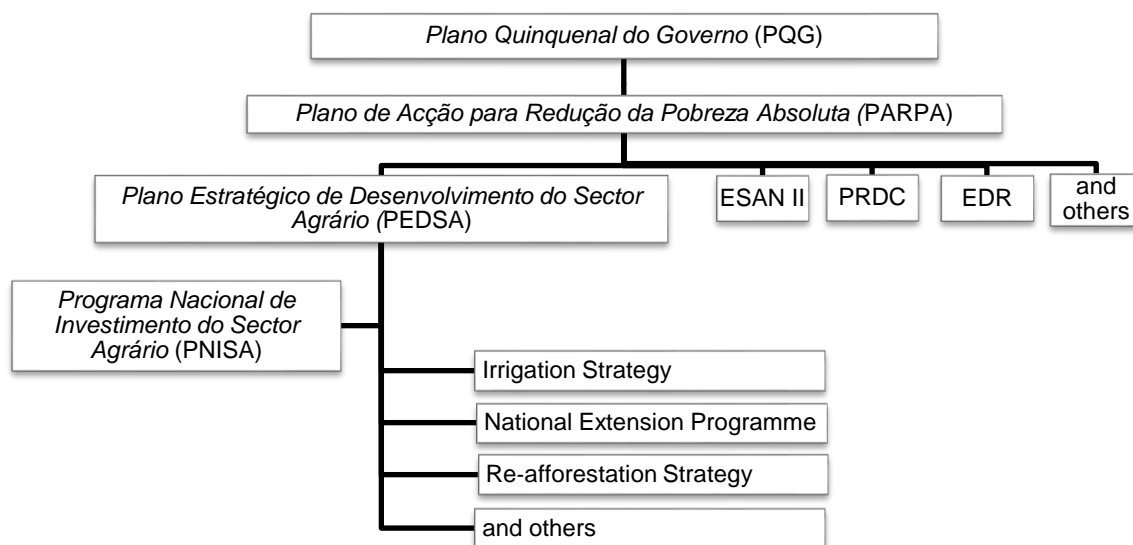
As Mozambique is among the world's poorest countries, poverty reduction is the main agenda for the government. The Five-Year Program of Government (PQG, Plano Quinquenal do Governo) and the Action Plan for the Reduction of Absolute Poverty, 2011–2014 (PARPA, Plano de Acção para Redução da Pobreza Absoluta) are the two major strategic documents that currently guide any policymaking exercise in Mozambique. However, major strategies, policies, and action plans are not only influenced by long-standing development agendas for the country, but they also are designed in response to immediate crisis and challenges facing the country.<sup>4</sup> The principal objective of the PQG is combating poverty and improving the living standard of the people, and that of PARPA is the medium-term strategy designed to operationalize how the PQG's objectives will be attained (World Bank 2011).

In Mozambique, most of the strategically important sectors, such as agriculture, usually prepare their own medium-term strategies. For the agriculture sector, the past two strategies were the PROAGRI I (1999–2006) and PROAGRI II (2005–2011) (Programa Nacional de Desenvolvimento Agrícola de Moçambique—National Program of Agricultural Development in Mozambique) strategies. Currently, PEDSA is the strategy that lays out the vision for development in the agriculture sector in Mozambique and how the government will prioritize its allocation of resources to that end. In principle, the national development program (PQG) and the mid-term strategy (PARPA) are the foundations of the agricultural sector strategy, while the policy content of the PEDSA is justified by and integrated into the PQG and PARPA. The PNISA is the investment plan that has been developed to operationalize action to achieve the PEDSA objectives (Figure 3.1).

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<sup>4</sup> For instance, the now phased-out Food Production Action Plan (PAPA) of 2008 came into existence in the immediate aftermath of the 2007 and 2008 world food crisis (World Bank 2011).

**Figure 3.1 Organogram of master development framework and current agricultural and agriculture-related policies of the government of Mozambique**



Source: Author's compilation.

Notes: ESAN, Food and Nutrition Security Strategy and Action Plan; PRDC, Multisectoral Action Plan for the Reduction of Chronic Malnutrition in Mozambique; EDR, Rural Development Strategy.

In addition to PEDSA and the PNISA, other strategic documents also pertain to issues in agriculture, including the Food and Nutrition Security Strategy and Action Plan 2008–2015 (ESAN II, *Estratégia e Plano de Acção de Segurança Alimentar e Nutricional*), the Multisectoral Action Plan for the Reduction of Chronic Malnutrition in Mozambique 2011–2014 (PRDC, *Plano de Acção Multisectorial para a Redução da Desnutrição Crónica em Moçambique*), and the Rural Development Strategy (EDR, *Estratégia de Desenvolvimento Rural*), among others.

Moreover, within the framework of the PEDSA and PNISA is a range of plans to address or statements to define subsectoral priorities within agriculture that constitute part of the agricultural policy framework for Mozambique. These include the Green Revolution Strategy (*Estratégia da Revolução Verde*), the Agricultural Research Strategy (*Estratégia de Investigação*), PRONEA, the Re-afforestation Strategy (*Estratégia de Reflorestamento*), the National Forestry Plan (*Plano Nacional de Florestas*), the Irrigation Strategy (*Estratégia de Irrigação*), the Food Production Action Plan (*Plano de Acção para a Produção de Alimentos*), and the Strategic Plan for Livestock (*Plano Estratégico da Pecuária*). Some of these plans have been completed and phased out, others are under active implementation, others have never been more than statements of intent, and still others have been quickly superseded.

### **Agricultural Policy Framework of the Government of Mozambique**

As was noted in the introduction, the government of Mozambique has taken important steps to advance the implementation agenda of CAADP in the country. Mozambique explicitly embeds CAADP in its current strategic plan for agricultural development, the PEDSA. Moreover, following the CAADP compact signing, Mozambique elaborated a national investment plan for the agricultural sector, the PNISA, to achieve the goals for the development of Mozambican agriculture laid out in the PEDSA and in alignment with the CAADP–Mozambique process that required the formulation of such an investment plan. In this subsection, a synopsis is provided of the priorities laid out in the PEDSA and PNISA, respectively.

### ***Priorities of the PEDSA (Strategic Plan for the Development of the Agricultural Sector)***

The PEDSA was approved in late 2010 to serve as the government's strategic plan for the development of the agricultural sector for the period 2011 to 2020 (MINAG 2010). PEDSA replaced the PROAGRI strategies (IFAD 2012b) and is characterized as a multisector, interministerial approach to improving agricultural performance (World Bank 2011). The PEDSA provides specific content on agricultural development within the broader context of the PQG and PARPA and contributes to the definition of financial programming by government in the agricultural sector under its three-year Medium-term Expenditure Framework (Cenário Fiscal de Médio Prazo).

The medium- and long-term vision of the PEDSA is based not only on national directives for agriculture but also on the priorities set out in CAADP. The four pillars of CAADP—sustainable development of natural resources, markets and infrastructures, food production, and agricultural research—serve also as foundations for PEDSA at both strategic and operational levels. PEDSA was developed following a nominally participatory approach that involved all stakeholders, including representatives of producers, service providers, cooperation partners, researchers, and civil society.

In line with CAADP's target of 6 percent annual economic growth in the agricultural sector, the PEDSA establishes a higher target of at least 7 percent agricultural growth per year. The sources of this growth are envisioned to be a combination of a doubling of yields and an increase in the area under cultivation by 25 percent by 2019, both done in a manner that ensures the sustainability of Mozambique's natural resources.

The general objective of the PEDSA is to “contribute towards the food security and income of agricultural producers in a competitive and sustainable way, guaranteeing social and gender equity (MINAG 2010, vi).” To achieve this objective, it has the following five specific strategic objectives:

1. Increase agricultural productivity and competitiveness
2. Improve infrastructure and services for markets
3. Use land, water, forest, and wildlife resources in a sustainable manner
4. Create a legal framework and policies that are conducive to agricultural investment
5. Strengthen agricultural institutions

Under each of these strategic objectives, specific results are defined—30 results in total—with specific strategies proposed for achieving each one.

Explicit in the PEDSA is that government's proper role is facilitating increased private investment to foster expansion of the agricultural sector. Government is to provide infrastructure, incentives, legal frameworks, and public services that will create a favorable environment for the private sector to invest in agricultural production, processing, and marketing. Boosting the confidence of private agricultural investors is at the center of the PEDSA. Notably, the PEDSA seeks to expand commercial agricultural production in Mozambique, with a consequent reduction in the number of smallholder farmers and an increase in farm size and productivity levels.

### ***Priorities of the PNISA (National Investment Plan for the Agricultural Sector)***

The PNISA is the national investment plan for undertaking the actions needed to achieve the objectives for the development of Mozambique's agricultural sector as established in the PEDSA. PNISA also serves as the investment plan that is part of the framework for operationalization of CAADP at the country level. It was developed by a technical team that was established after the signing of the Mozambique CAADP compact in December 2011. This team worked in a consultative manner with government agencies across multiple sectors, donors, the private sector, and civil society to design the investment plan. It was launched in April 2013 and covers the period 2013 to 2017.

Three main goals are established for the PNISA:

1. Agricultural sector growth that averages 7 percent annually over the period 2010 through 2019
2. Reduction in the prevalence of chronic malnutrition in children under age 5 to below 20 percent by 2020
3. Reduction by half in the proportion of the population of Mozambique that suffer from hunger by 2015

The first goal is taken from the PEDSA, and the other two are new to the PNISA. The structure of the PNISA is in alignment with the five strategic objectives of the PEDSA, although not on a complete one-to-one correspondence:

1. The Production and Productivity component of PNISA will serve to achieve the PEDSA strategic objective of increasing agricultural productivity and competitiveness.
2. The Market Access component will serve the PEDSA strategic objective of improving infrastructure and services for markets.
3. The Food and Nutritional Security component of PNISA does not directly match any of the PEDSA strategic objectives but provides a cross-cutting emphasis to action under PNISA.
4. The Natural Resource component of PNISA corresponds quite closely to the PEDSA strategic objective of using land, water, forest, and wildlife resources in a sustainable manner.
5. The Institutional Reform and Strengthening component of PNISA corresponds to the PEDSA objective of strengthening agricultural institutions.

The PEDSA objective of creating a legal framework and policies that are conducive to agricultural investment is not explicitly addressed at the component level of the PNISA but is an element in several of the programs under those components.

Under each of the five PNISA components are detailed sets of programs and subprograms—21 programs and 61 subprograms in total. With such a large number of priorities, the PNISA allows for a very broad scope of action. Budgets are established for each of these subprograms so as to determine the total financial resources required for implementing the PNISA from 2013 to 2017. These budgets total Mt 112 billion, or about \$4 billion. The Production and Productivity component of the PNISA is allocated the bulk of the budget—almost 85 percent.

Consistent with the CAADP compact, the government of Mozambique and donors agreed to mobilize funds for the achievement of the PEDSA objectives as laid out in the action plan. At the time the PNISA was launched, there was a sizable financing gap of 78 percent of the total budget. Filling this gap will be an important challenge for the effective implementation of the PNISA.

The Council of Ministers is responsible for providing strategic direction for the program and to ensure the allocation of the necessary resources, while the Minister of Agriculture is responsible for submitting reports to the Council of Ministers on the implementation of the PNISA and progress toward attaining the PEDSA objectives. A second level of coordination, the Agricultural Sector Coordinating Committee (CCSA, *Comité de Coordenação do Sector Agrário*) is also chaired by the Ministry of Agriculture.<sup>5</sup> The CCSA is to ensure regular and effective dialogue between public institutions, donors, the private sector, and civil society organizations involved in the PNISA implementation. A third level of coordination of the program will be at the provincial and district levels and has a greater focus on implementation.

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<sup>5</sup> The committee is expected to normally meet twice a year and is responsible for monitoring the implementation of program activities, verifying compliance of interventions with the policies and programs of the government, assessing the progress made in implementing the program, making recommendations for improving coordination and implementation, and feeding the information to the Council of Ministers.

Beyond sketching the three levels of coordination, the PNISA document does not specify a detailed institutional framework for its implementation. It is expected that existing agencies with responsibilities appropriate to the PNISA programs and subprograms will be involved in the implementation of the action plan, with oversight and coordination provided by the CCSA or regional or district coordination bodies.

The CCSA will be at the center of the regular agricultural JSR of the PNISA that will ensure that all participants in the PNISA implementation are mutually accountable for any progress made or failures encountered. The PNISA document provides an outline of a monitoring and evaluation system for the plan. This includes peer reviews, analytical studies, impact assessments, and information sharing so that the PNISA is executed at different levels of implementation in such a way that ensures accountability and transparency in the use of funds.

However, the informational content of the monitoring and evaluation system is not specified in the plan. As such, beyond the three overall goals noted above on agricultural sector growth, child chronic malnutrition, and hunger, no other indicators are proposed for use in measuring progress under the PNISA in attaining the objectives of the PEDSA. Other indicators and targets remain to be identified at the level of the programs and subprograms by the agencies involved.

This lack of definition of key indicators for monitoring and evaluation is an important deficiency in the design of the PNISA given the centrality of mutual accountability to the CAADP–Mozambique process. Mutual accountability centers on “mutually agreed-upon milestones and targets.” These milestones and targets remain to be defined for the PNISA. So long as they are not defined, the agricultural JSR process under CAADP–Mozambique will be significantly hampered and remain weak in terms of building accountability among stakeholders in contributing to agricultural transformation in the country.

## **Major Actors in Agricultural Policymaking**

Having reviewed the two main policy statements regarding agricultural development in Mozambique, the major actors in Mozambique’s agricultural policymaking are now considered in this subsection. These participants in agricultural policymaking processes can be placed into four categories based on their roles.

At the center of the process are different bodies of government (the president, parliament, the Council of Ministers, provincial governments, and MINAG with its provincial- and district-level directorates) that interact with one another to devise a new policy or strategy that pertains to the agricultural sector and that is consistent with guiding national programs and strategies and with regional and international commitments. Second are Mozambique’s development partners. As these donors play a significant role in financing many of the programs that emerge from policy redirection and reform, they also closely engage in the discussions on the design of reforms in the sector. Third are different nongovernmental stakeholders that include farmers and farmer groups, civil society groups, and private-sector firms and interest groups that try to influence the agricultural policymaking process through consultation with government bodies at different levels. Finally, several policy research institutions that provide information to guide the policymaking process in Mozambique.

### ***Ministry of Agriculture***

In making agricultural policies in Mozambique, the analysis, formulation, and monitoring aspects are principally the responsibility of MINAG. In this regard, MINAG’s Technical Team and its working groups are tasked with producing policy and strategy proposals that are submitted to the Consultative Council and later to the Council of Ministers and parliament for consideration. Most of these efforts are coordinated by the Directorate of Economics within MINAG. The Directorate of Economics is the principal planning unit of the ministry. MINAG, with its provincial- and district-level organs, is also responsible for the implementation of agricultural policies and strategies.

## ***International Development Partners***

In Mozambique, designing agricultural policies and strategies is not simply a local exercise undertaken without consultation with development partners. Over the last two decades, Mozambique has been heavily dependent upon foreign aid.<sup>6</sup> All of its major agriculture-sector strategies have been implemented with significant support from the donor community. In consequence, most of these have been designed in consultation with the donor community. For example, the first phase of PROAGRI was initiated and implemented as a joint effort by the government of Mozambique and the main donor agencies working in the agriculture sector. Similarly, PROAGRI II was launched through a joint agreement between the government and eight of Mozambique's development partners (Gêmo 2011). The primary justification given for such strong engagement by donors in the national policy processes in agriculture is their need to be accountable to their home government on how the funds they provide for agricultural development are used. However, somewhat more problematically, they also play a strong role in defining the priorities and designing the programs and other activities to which their funds are applied.

International NGOs, such as CLUSA, TechnoServe, CARE, Save the Children, SNV, and World Vision, also have played key roles in the implementation of agricultural policy. Typically working in focus provinces, these organizations have been involved in extension service provision in parallel with the government agricultural extension service, in the establishment and development of smallholder farmer associations, and in strengthening agricultural value chains by better linking farmers with commodity traders and other agribusinesses. Although they are not so prominent in policy processes, they are important participants in the implementation of policy and therefore are not totally excluded from the design of those policies.

## ***National Stakeholders in Agricultural Development: The Private Sector and Civil Society Organizations***

Another potentially important set of actors in agricultural policymaking in Mozambique are civil society organizations. For instance, National Union of Peasants (UNAC), an umbrella organization of 58 unions and 1,243 farmer associations and cooperatives, was established to be a voice for small farmers in rural development and agricultural policymaking. UNAC has also been involved in activities that include training, dissemination of information, and advocacy campaigns. Similarly, the Rural Organization for Mutual Support (ORAM) is another agriculturally focused civic organization that has participated in rural and agricultural policymaking in Mozambique. ORAM has primarily focused on land reform issues, particularly in supporting rural communities to understand and protect their land rights.

Although they are few in number and are somewhat underrepresented in consultations and policy discussions, the private agricultural service providers also play a role in agricultural policymaking. The Confederation of Economic Associations of Mozambique (CTA), the confederation of different associations of small private agricultural service providers, has been promoting the interests of these groups in agricultural policymaking. Similarly, sector-specific associations for participants in the cashew, cotton, and sugar value chains and the Nampula Commercial and Industrial Association in Nampula Province use the CTA to channel their opinions and concerns to government as part of these policy processes (MINAG 2010).

However, most participants in agricultural policy processes in Mozambique would agree that the national private sector and civil society organizations rarely, if ever, play a leading role in fostering policy change in the sector. Government and its development partners, generally in some sort of partnership, lead such efforts at policy formulation. Consultations with the private sector and civil society take place, but they are viewed by many somewhat cynically as being token, obligatory exercises that do not result in significant, new perspectives being brought into the process or affect the policy choices that are made (Africa Lead and EAT 2013). Their role as effective advocates in determining the priorities for

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<sup>6</sup> In 2011, official development assistance to Mozambique accounted for 42.3 percent of the national budget and 14.9 percent of GDP (MINAG 2013).

agricultural development in Mozambique needs to be strengthened, rather than leaving this task primarily to the government agencies.

### ***Policy Research Institutions***

Although several research institutions are involved in agricultural policy research in Mozambique, as yet no core body of Mozambican analysts and policy research institutions is in place upon which government, donors, civil society, and the private sector rely for providing objective analysis and recommendations. International research organizations still are relied upon for evidence to guide many policy choices in agriculture. These include donors that undertake significant research to guide their investments in Mozambique, such as the World Bank. They also include more dedicated research groups such as Michigan State University, which has an almost 20-year history of providing policy research and capacity building in the agricultural sector in Mozambique, and CGIAR international agricultural research centers. Among the CGIAR centers, the International Food Policy Research Institute (IFPRI) has a particular focus on policy research to advance agricultural development and ensure food and nutrition security in Mozambique. The Regional Strategic Analysis and Knowledge Support System (ReSAKSS) Southern Africa office also has paid a key role in supporting CAADP–Mozambique and the design and initial implementation of the PNISA. However, to a large degree because they are international, these organizations are not integral to many of these policy processes.

The capacity for agricultural policy research in domestic institutions is primarily found within Mozambique’s government in the Ministry of Finance, Ministry of Planning and Development, and MINAG; within the principal university in the country, Eduardo Mondlane University; and within some smaller domestic policy research institutes. While these Mozambican analysts may have a greater ability and wider range of avenues than international researchers do to contribute evidence and other information for policy decisions, their sphere of expertise is technical, which is only one element among many that drive decisions on agricultural policy. In Mozambique, as everywhere else, technically optimal policy solutions need to align with overriding political considerations before those solutions will advance into policy.

Nonetheless, a continuing need exists to build national capacity to undertake sound technical policy analyses in the agricultural sector. An initiative is now well advanced for establishing a Centro de Estudos em Políticas e Programas Agro-Alimentares (CEPPAG—Center for Research in Agro-Food Policies and Programs). This center is to be housed within Eduardo Mondlane University and to operate independently of government, but it would be expected to function in a manner that would build policy research capacity across several ministries, including MINAG. Plans for the center have been in discussion since 2011. However, although considerable progress has been made in obtaining commitments of political and financial support, when the center will start operations is unclear.

### **Agricultural Public-Sector Financing**

The PEDSA establishes a target of a 7 percent agricultural growth rate per year, which is 1 percent higher than that called for under CAADP. One of the major challenges in drafting the PNISA and effectively implementing it is determining the amount and types of investments that will be needed to achieve this objective (Mogues and Benin 2012). To do this, close analysis of past public expenditures in the agriculture sector and the outputs that can be attributed to those investments is required.

Over the past four years, at least three analyses of public expenditures in agriculture have examined how the levels and composition of public investment in the sector has changed over time—Zavale et al. (2011), World Bank (2011), and Mogues and Benin (2012). Although these studies were not necessarily done independently of each other, they did differ in their focus and therefore provide different insights into how public investment in agriculture could lead to more sustainable growth in the sector. Unfortunately, the two most comprehensive studies (Zavale et al. 2011; World Bank 2011) consider only the period up until 2007. More recent expenditures are not considered.

Among the key findings of these assessments are the following:

- Although budget allocations to agriculture have hovered around 10 percent, actual spending in the sector has been somewhat less than that. The average public spending on agriculture between 2001 and 2007 was 6.8 percent of total government spending, considerably below the CAADP target of 10 percent. This mismatch between what is budgeted and what is actually spent is attributed to complex procurement processes, public accounting requirements, and delays in disbursement of funds from development partners.
- Most public agriculture expenditure is on salaries and other transfers, including institutional overhead. Spending on agricultural research and development, support to farmers, and provision of other agricultural services accounts for only about one-quarter of expenditures.
- A spatial assessment of where agricultural funds are spent shows that the most important provinces in terms of agricultural output and their contributions to total agricultural GDP are generally least favored in the allocation and spending of public funds for agricultural development.
- There is a mismatch between the commodities and functions that are given budget priority and what research evidence indicates should be the priorities. For example, wheat is given considerable attention, while cassava is not. Irrigation expenditures are significant, while those for agricultural extension are neglected, even though evidence is clear that agricultural extension services are far more likely to contribute to rural poverty reduction and broad growth in the rural economy of Mozambique than irrigation schemes.
- Subsidies are not a prominent part of government expenditure in agriculture, at least over the time period considered. Implicit subsidies are seen in the cashew sector, as government provides services that arguably the private sector could manage on its own. However, since 2007, there has been some experimentation with subsidized provision of inputs with a voucher-based fertilizer and seed program targeting 25,000 smallholder farmers in five provinces of central and northern Mozambique.
- MINAG and its agencies in 2007 obtained just under 50 percent of their expenditures from domestic resources, with externally provided funds covering the balance.
- Information on private investments made in agriculture are not available and may not exist. This is critical in the context of Mozambique's development ambitions, since the PQG, the master development framework, and the PEDSA explicitly conceive the role of government primarily to be the enabling of private investment and private-sector development.

All of the agricultural public expenditure reports stated that the insights for future planning that could be obtained from the analyses were constrained by a lack of sufficiently disaggregated data along functional, geographical, and subsectoral or commodity dimensions. Moreover, the analysts reported obtaining conflicting information depending on source and accounting system used. Perhaps most important for the purpose an agricultural JSR is that the quality and structure of the public expenditure data on agriculture were insufficient to allow for strong value-for-money assessments to be made. Thus, in the Mozambique-CAADP process, with current public accounts data it would be very difficult to tell if expenditures made under the PNISA framework were effective in making progress toward the agricultural development goals of the PEDSA.

Mogues and Benin (2012) take their agricultural public expenditure analysis a step further by calculating what budget allocations are needed to attain the goals set in the PEDSA. These calculations are based on observations, both in Mozambique and elsewhere, of the relationship between various public expenditures in agriculture and the economic growth in that sector that can be attributed to that

expenditure. They assert that the public expenditures required to achieve 7 percent annual growth in the agricultural sector, which is the PEDSA target, will need to grow at a rate of 17.5–20.9 percent per year, considerably higher than current growth in agricultural public expenditures. Moreover, there will need to be a reallocation of expenditure toward investments that will bring about technical change and efficiency improvements in agricultural production and away from simply investing in the use of current factors of production under existing technology. An implicit assumption in this analysis is that the capacity of those managing these growing public investments in agriculture will expand appropriately to absorb the increase in public investment. As such, capacity development is a key element in achieving the agricultural development goals laid out in the PEDSA and supported by the CAADP–Mozambique process.

In this section we described the policy context from which the PNISA agricultural development initiatives emerged and are to be implemented. The next section is on the performance to date of the agencies and institutions working to produce the outputs that will contribute to achieve the objectives of the PEDSA that lie at the center of the agricultural policy framework.

#### **4. PERFORMANCE: AGRICULTURAL DEVELOPMENT ACHIEVEMENTS UNDER PNISA**

This section and the two that follow provide an assessment of what has been achieved in the implementation of the PNISA and where actions should be taken to strengthen implementation. Here independent assessments are provided of the activities under the various programs and subprograms of the investment plan. Similarly, at a higher level of coordination, the actions of the various stakeholders in agricultural development in Mozambique within the PEDSA framework need to be considered regarding the commitments they made to advance PNISA implementation. This information is necessary so that those involved in the JSR have a relatively clear understanding of where successes are being realized and, perhaps more importantly, where further thought is needed on implementation modalities or a change in course is required to address failures. These assessments allow for mutual accountability among the stakeholders and should foster a sense of joint responsibility to correct problems as they are identified.

However, the PNISA was made public only recently, in April 2013. Most readers of the PNISA document will quickly observe that the 21 programs and 61 subprograms of the PNISA require considerable elaboration before implementation can begin for any of them. More specific to the purpose of this paper, only an outline of how the PNISA implementation was to be evaluated and monitored was provided in the PNISA document. The CCSA body needed to be constituted and its mode of operation determined.

This document has been drafted by a small team of independent observers of the CAADP–Mozambique process centered on the PEDSA and its PNISA action plan. Yet, although the team is independent, it also is clearly too far removed from the day-to-day activities of PNISA implementation to provide a high degree of specificity with regard to where success can be seen or where problems seem to be arising. Balancing the need for detail on PNISA activity with an independent perspective is necessary for an analytical paper such as this to be of value to the JSR process in Mozambique. The previous sections of this document provide a fair and relatively detailed description of the policy context for the PEDSA and PNISA and, more broadly, CAADP in Mozambique. While this is important to ensure that the larger objectives of these efforts is not lost in the JSR, the details of the implementation now under way and how the various participants are fulfilling their responsibilities cannot be comprehensively examined in this document.

Consequently, it is apparent that in the drafting of such analytical reports, a more heterogeneous report-drafting team is required in the future—one that mixes the detail on implementation that CCSA members likely can provide with the more objective, independent, and broader perspectives that external evaluators would bring to the task. In consequence, as a model for future JSR analytical reports, this section serves primarily as a template that can be built upon and expanded in later reports. In those JSR analytical reports that are planned to be produced by the country, considerably more detail on performance should be available. The team drafting those reports will be able to review a longer period of PNISA implementation and, hopefully, consider the effectiveness of a broader range of action under the programs and subprograms of the plan. It also is expected that a more detailed set of indicators for monitoring performance of the PNISA will have been developed by the CCSA for use in those reports.

Nonetheless, a couple of observations on the implementation of the PNISA to date can be made. In the best case, considerable headway should have been made since its launch in moving the PNISA from being a statement of intent and into action. One of the initial steps identified in the PNISA in this regard was to develop the coordination system for PNISA implementation centered on the CCSA. However, little evidence exists to show that this has yet been done effectively at the time of writing of this report. We expect that, in consequence, if responsibilities have been assigned for designing specific action plans for the many programs and subprograms of PNISA, the action plans that emerge will not be sufficiently well coordinated and may have both duplication and gaps that will impede progress toward the PEDSA objectives. Even without having detailed knowledge of PNISA activities at the program and

subprogram levels, we found no actively operating coordination body or mechanisms in place to guide implementation.

Second, one aspect of coordination is to monitor key elements of the implementation process. Although there has been at least one attempt to develop a set of indicators for monitoring PNISA implementation (Uaiene 2013), this attempt has yet to be completed. Mutually agreed-upon milestones and targets are still missing on various elements of PNISA. Such indicators are necessary to assess progress under the PNISA that will allow for mutual accountability among participants and stakeholders in the process. The potential for the agricultural JSR exercise to lead to more effective implementation of the PNISA will be constrained so long as the participants do not have a complete set of mutually agreed-upon set of indicators by which to assess how well the action plan is being implemented, and by which the CCSA can assess the quality of PNISA implementation. More broadly, the mutual accountability that is built into the design of the PNISA under commitments made in the CAADP–Mozambique compact likely has not yet been realized.

These two observations are all that we can confidently make on the performance of PNISA implementation so far. To make more detailed observations would require more specific information on the rolling out of activities under the PNISA. As noted, it is strongly suggested that in drafting analytical reports for the JSR by the Mozambican stakeholders, a heterogeneous team of analysts be drawn upon to allow for a better combination of detail with broader, objective, and independent perspectives. This will lead to greater insight into the performance of PNISA implementation and how it might be improved.

## 5. STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS IN THE IMPLEMENTATION OF THE PEDSA AGENDA THROUGH THE PNISA

The aim of this section is to synthesize and categorize the materials presented in the previous sections on how progress to date under the PNISA serves to advance Mozambique toward its objectives for agricultural development under the PEDSA. As with the previous section, this section will serve primarily as a template that can be further elaborated upon in JSR analytical reports for Mozambican stakeholders that will report on a broader set of activities on which more detail is captured.

### SWOT Analysis

First we restate the particular definitions of strengths, weaknesses, opportunities, and threats in the context of this analysis:

- *Strengths* are those characteristics of a specific intervention that make it better suited to achieve the desired development objectives than would alternative approaches or interventions—in this case, achieving PEDSA objectives and goals.
- *Weaknesses* are features of interventions that put them at a disadvantage relative to other interventions.
- *Opportunities* are contextual elements that could be used to the advantage of the intervention.
- *Threats* are contextual elements that have a potential to impede the intervention in accomplishing its objectives and goals.

The identification of these characteristics of the PNISA implementation will necessarily be a quite subjective exercise. Each individual involved in the JSR process will likely bring to the table for discussion a somewhat different set of issues corresponding to the SWOT categories than will his or her peers. Consequently, in using the SWOT analysis to guide program adjustments and redesign or define complementary strategies that build on strengths or mitigate weaknesses, all the issues placed into each category of the SWOT analysis will need to be thoroughly examined. This is an analysis where many different perspectives will likely prove profitable for prioritizing issues and drawing lessons that can serve to improve PNISA implementation.

As such, it almost goes without saying that the issues raised in this section, although informed by a close examination of agricultural policymaking, priority setting, and program implementation within the context of the PEDSA and CAADP–Mozambique, are by no means definitive. Nonetheless, the SWOT analysis presented here should assist in making a first step toward defining a more accurate set of strengths, weaknesses, opportunities, and threats that characterize the PNISA implementation process so far.

### Strengths

- A reasonably broad coalition of stakeholders is involved in the CAADP–Mozambique process and the development of the PNISA.
- Signing the CAADP–Mozambique compact commits stakeholders to work toward the PEDSA objectives in the manner articulated in the PNISA.
- High-level political support for the PNISA has been articulated by the president and Council of Ministers.

## **Weaknesses**

- Indications are that the CAADP–Mozambique process and the implementation of the PNISA is primarily a MINAG activity, with little participation of other sectors, civil society, and the private sector engaged in agriculture.
- PNISA is very broad in scope. Considerably more prioritization and pruning of programs and subprograms could have been done. This has ramifications on raising the resources needed for implementation, as both the Ministry of Finance and donors may second-guess the priorities stated in the PNISA and seek to pick and choose those that will receive their financial support.
- PNISA is ambitious and is at risk of requiring greater human capacity to implement than is available in rural Mozambique.

## **Opportunities**

- Donors have exhibited considerable will to see Mozambique achieve some tangible degree of agricultural transformation through the successful implementation of the PNISA.
- The significant contributions to the Mozambican economy that are foreseen in mining and natural gas exploitation will potentially allow an increase in government financing of PNISA. The PNISA offers a useful way to transfer some of the revenue from the narrow mining and gas sectors to a wide segment of citizens of Mozambique.
- The lead-up to the elections in late 2014 may provide a pro-PNISA political environment as those seeking election look for opportunities to demonstrate their commitment to the rural electorate.

## **Threats**

- Delays in organizing the coordination of the activities under PNISA will result in a loss of coherence and will retard progress toward the PEDSA objectives.
- The elections in 2014 may mark a high point in political commitment to the PNISA that may end up being rapidly eroded thereafter as election-period promises confront the day-to-day reality of governing the country.

## **Summary**

In the SWOT analysis presented here, the focus is on the broader political and economic factors that will determine the success of the PNISA implementation. This focus reflects the early stage of implementation for the PNISA. As PNISA programs get under way in the field, it is expected that many more operational and coordination issues will be at the forefront of the minds of those involved in the country's agricultural JSRs that focus on the PNISA. Indeed, some of those issues may already be apparent now to those who are participating closely in the roll-out of PNISA implementation. This is why a broad set of individual SWOT analyses of the PNISA should be aggregated, discussed, and synthesized as part of efforts in the JSR process to assess where changes can be made in implementation that will result in better outcomes.

## 6. CONCLUSIONS AND RECOMMENDATIONS FOR IMPROVING PERFORMANCE

Overall, the development of the PNISA and the rollout to implementation has been sufficiently successful to keep stakeholders engaged in the process. The PNISA appears to provide a workable action plan for achieving the objectives of the PEDSA, although considerably more work at refining the action plan is needed before many of its stakeholders will make firm commitments to invest in its operationalization.

However, now that we are well into the five-year implementation period, the window of opportunity to organize the effective implementation of the plan is closing. If action is not taken soon to better coordinate the PNISA programs and subprograms, to address the funding gap, to internally prioritize and possibly better sequence programs, and to obtain stronger commitments to its implementation across the full set of stakeholders, the PNISA initiative may lose momentum. Much progress has been made over the past three years in defining how Mozambique might achieve the transformation of its agricultural sector. However, any gains that have been made in building commitment to that broad objective clearly could be lost in the coming months without strategic efforts to accelerate coordinated action under the PNISA.

### Action Steps

The list below highlights a few action steps that flow from the discussion immediately above. In future reports, this should consist of a point-by-point list of clear actions that can be taken to address deficiencies in the implementation of the PNISA or to attain synergies that otherwise would be missed. The items that potentially could be included in the list should be evaluated in terms of urgency and available human capacity and resources to successfully achieve them. It also would be beneficial to suggest which institutions should take responsibility and be held accountable for each action identified.

- Operationalize the CCSA to coordinate activities under the PNISA and to ensure that those activities are adequately monitored.
- The CCSA should develop of a set of mutually agreed-upon milestones and targets organized around five performance areas:
  - Broad development objectives
  - Overall agricultural-sector growth targets, with specific subsector and commodity-specific targets
  - Financial and nonfinancial resources required for implementation
  - Policies, programs, institutions, and implementation processes
  - Linkages in the agricultural sector that connect investments to sector performance
- Conduct an internal prioritization and sequencing of programs and subprograms— via the recognition that the PNISA is ambitious in scope but facing a significant gap in financing—so as to better match the available resources. Although this exercise is required to address the financing gap, it should be done based on technical evidence of what and when PNISA activities should be done, rather than being led in possibly a more arbitrary manner by the Ministry of Finance or development partners.
- MINAG should develop stronger links with national stakeholders in the PNISA implementation to build engagement and a stronger sense of accountability from the private sector and civil society organizations, especially.

As with the SWOT analysis, here too the conclusions and action steps presented must be debated and tested by those involved in the JSR process to determine whether they are valid and useful for guiding efforts to strengthen PNISA implementation. It is hoped that those presented here will start this debate along a productive path.

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